



February 20, 2007

Dave Grierson  
Division of Forestry, Fire and State Lands  
PO Box 145703  
Salt Lake City, UT 84114-5703

Dear Dave,

Great Salt Lake Minerals would like to nominate for mineral lease, approximately 22,700 acres below the meander line on the west side of the Great Salt Lake for expanding its solar evaporation operations. This area is shown on the attached map and described by the following sections or partial sections which are below the meander line:

Township 7 North, Range 9 West, Sections 19, 29, 30 and 32.  
Township 7 North, Range 10 West, Sections 2-5, 8-14 and 23-25.  
Township 8 North, Range 10 West, Sections 7-10, 15-22, 26-30 and 32-35.  
Township 8 North, Range 11 West, Sections 12 and 13.

Please let me know what further information you need.

Sincerely,

A handwritten signature in cursive script that reads "Corey R. Milne".

Dr. Corey R. Milne  
General Manager of Operations  
Great Salt Lake Minerals Corporation  
765 N. 10500 W.  
Ogden, Utah 84402  
(801)732-3312  
Email address: [crmilne@compassminerals.com](mailto:crmilne@compassminerals.com)



## **Great Salt Lake Minerals Potassium Sulfate Expansion**

Great Salt Lake Minerals (GSL) operates 43,000 acres of solar evaporation ponds on the Great Salt Lake to produce potassium sulfate (known in the fertilizer market as sulfate of potash or SOP), sodium chloride (salt) and magnesium chloride. GSL has been operating on the shores of the lake west of Ogden, Utah since 1970. It employs 270 people with an additional 80 contract employees. GSL pays over 3 million dollars annually in royalties to the state, which is the largest royalty paid by any business operating on the lake. GSL also pays more than 2 million dollars in annual property and sales tax. GSL SOP is shipped throughout North America and exported to South America, Asia and Australia.

GSL is developing plans to produce more potassium sulfate fertilizer from Great Salt Lake Minerals' facilities to meet the growing world needs of sustainable food supply, renewable energy and environmentally responsible agriculture.

Sustainable food supply. The increasing population, the migration from farms to cities and the rising standard of living in developing countries has a multiplying affect on food demand. People will not subsist on cereals and root crops when they can afford meat, fruits and vegetables. The increasing consumption of animal proteins – meat, milk and eggs – will require a greater agricultural output to supply that demand. Most of the increase must come from crop yield improvements rather than farm land expansion.

Renewable energy. The rapidly growing demand for renewable fuels, ethanol and bio-diesel, in Europe and the United States is shifting agriculture away from food production.

Environmentally responsible agriculture. Soils that are not replenished with fertilizers in developing countries are replaced with new farm land. Abandoned farms may expand deserts in the dryer regions of the world. In the wetter regions, the conversion of forests to farms adversely affects global climate and biodiversity. Irrigation water can be conserved with proper fertilization to increase plant water use efficiency from increased root depth and density, as well as from the crop's ability to withstand drought stress. Emissions of the greenhouse gas, nitrous oxide (N<sub>2</sub>O), nitrate contamination of ground water and eutrophication of rivers, lakes and coastal waters can be reduced by reducing excessive nitrogen fertilization. Carbon sequestration by soils can be increased and soil erosion reduced with balanced fertilization to increase the soil organic matter.

A balanced application of potassium fertilizer is part of the sustainable solution to these three needs. Potassium is of vital importance for cells and their enzymatic and metabolic functions. It helps protect plants against stresses of pests, disease, drought and frost, and improves the efficiency of nitrogen uptake. Potassium removed from the soil by harvested crops must be replaced to sustain efficient crop production. Crops consume nearly equal amounts of nitrogen and potassium. Regions, like West Europe and Japan, with balanced application of nitrogen, phosphorus and potassium fertilizer show much higher crop yields than countries using a higher proportion of less expensive nitrogen fertilizer. A balanced application of potassium will increase crop yield and reduce excessive nitrogen application.

Potassium sulfate produced by GSL also contains the plant nutrient sulfur, whereas the principle source of potassium in the world, potassium chloride, contains the potentially detrimental chloride ion. The chloride ion is harmful to many high value crops, such as fruits, vegetables and nuts and to farms with high salt content soil or irrigation water.

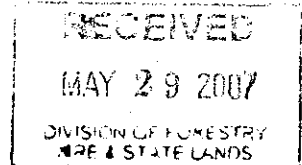
GSL is one of the largest solar energy facilities in the world, capturing renewable energy from the sun equivalent to 9 million tons of coal per year or the largest coal power plant in the world. To produce SOP, water from the north arm of the Great Salt Lake is pumped to 21,000 acres of solar ponds on the west side of the lake where the potassium concentration is increased as the water evaporates. This pre-concentrated brine is transferred to solar ponds on the east side of the lake through a canal that runs 21 miles along the bottom of the lake. In the east ponds, the brine further concentrates by flowing through a series of ponds that are evaporated by solar energy from May through September. Sodium chloride crystals are deposited in the first series of these ponds. Continued evaporation in the subsequent series of ponds produces a mix of salts, known as potassium salts, comprised of potassium, magnesium, sodium, chloride and sulfate. Magnesium chloride brine is the final product produced from this series of solar evaporation ponds.

The potassium concentration of the potassium salts is managed by making frequent chemical measurements and adjusting flow rates to adapt to daily changes in solar evaporation rates. The potassium salts are harvested from the ponds from September through May and transported by truck to the plant for conversion to SOP. The plant uses complex phase chemistry, a combination of water addition, heating and cooling, to accomplish this conversion. The SOP plant does not consume or produce any hazardous chemicals and is unique among other SOP facilities worldwide.

The potassium salts produced from the solar evaporation ponds have more sulfate than necessary to produce potassium sulfate. Since the early 1970's, GSL has purchased potassium chloride, mainly from Canada, to add to its excess sulfate to produce more potassium sulfate than possible from its ponds. Rising freight and potassium chloride prices have made this external source of potassium more expensive. In the future, potassium chloride is projected to become so costly that GSL may no longer purchase this raw material and may significantly cut its production, and associated jobs, in the absence of new capacity.

To meet the need for more potassium fertilizer, GSL must develop a long term, cost effective capacity increase for its potassium sulfate operations. GSL is working closely with state and regulatory agencies to obtain leases and construction permits for new solar evaporation ponds to reduce its dependence on purchases of potassium chloride from Canada. This expansion will increase state and county revenues from royalty and tax payments and sustain 350 high paying jobs in an increasingly competitive world market.

**MINERAL LEASE APPLICATION**  
**Division of Forestry, Fire and State Lands**



APPLICANT INFORMATION:	
Name(s):	<u>Great Salt Minerals Corporation</u>
Address:	<u>765 N. 10500 W</u>
City, St Zip:	<u>Ogden, Utah 84402</u>
Phone:	<u>(801) 731-4547</u>

APPLICATION NO: 20000107

Funding	
Sov	_____
UDOT	_____
DWR	_____
P&R	_____
Checked By _____	

Applicant hereby applies for a mineral lease on the following described tract of land situated in Box Elder County, State of Utah, for the purpose of mining the following mineral or minerals therefrom potassium sulfate & magnesium chloride

Subdivision	Township	Range	Meridian	Section(s)	Acres
	7N	9W	SLBM	19, 29, 30, 32	
	7N	10W	SLBM	2-5, 8-14 23-35	
	8N	10W	SLBM	7-10, 15-22 26-31, 32-35	
	8N	11W	SLBM	12-13	
(Attach additional sheets if necessary)					Total Acres <u>23088</u>

Applicant offers to accept all the requirements of the Laws of the State of Utah governing the issuance of mineral leases and operating thereunder. Applicant offers \$1.00 per acre or fraction thereof per annum rental, and the royalties as established by the Director of the Administration, and deposits herewith \$ 50,000.00 to pay rental for the first year of the lease and \$30 application fee. If the applicant is a firm, association or corporation, the date when such became qualified to do business in the State of Utah was Delaware

Corey R Milne  
 Applicant Signature

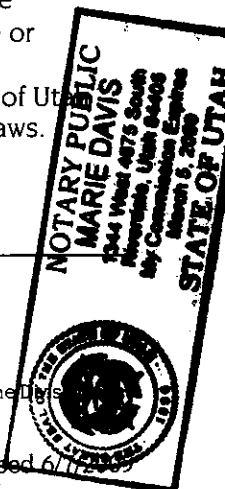
By \_\_\_\_\_  
 \*Attorney-in-fact Signature

STATE OF Utah  
 COUNTY OF Weber §

\*\* The applicant listed above \_\_\_\_\_ being first duly sworn, deposes and says that \_\_\_\_\_ is (are) the applicant(s) above named. (If Corporation, complete the following.) The applicant is a corporation organized under the laws of the United States or of the State or territory of Delaware and that the above-signed is a duly qualified agent of said corporation; and that such association or corporation has fully complied with all the laws of the State of Utah relative to qualifications to do business within the State of Utah and is not in default under any such laws.

Subscribed and sworn to before me this 23 day of May, 2007.

My Commission Expires: March 5, 2009 Marie Davis  
 Notary Public, residing at: Ogden ut



\* Applications filed by an attorney-in-fact acting in behalf of the applicant shall not be accepted unless there is sufficient evidence on file with the Division of Forestry, Fire and State Lands that the applicant authorized the attorney-in-fact to apply for and execute the lease in his/her behalf.  
 \*\* Strike out parts not applicable.

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(MINERAL.WPD) Revised 6/11/05

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00038581  
CHECK NO.



**Great Salt Lake  
Minerals Corporation**  
A Compass Minerals Company  
9900 West 109th Street, Suite 600  
Overland Park, KS 66210

JPMorgan Chase Bank, N.A.  
Syracuse, NY  
50-937/213

CHECK DATE **038581**  
5/22/2007

80420  
VENDOR NO.

\$\*\*\*\*\*30.00

VOID AFTER 90 DAYS  
PAY EXACTLY

PAY THIRTY AND 00/100\*\*\*\*\*

TO THE  
ORDER  
OF

UTAH DIVISION OF FORESTRY, FIRE  
& STATE LANDS  
1594 WEST NORTH TEMPLE, STE# 3520  
SALT LAKE CITY UT 84114-5703



*Rosney Underdunn*

AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE

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00038580  
CHECK NO.



**Great Salt Lake  
Minerals Corporation**  
A Compass Minerals Company  
9900 West 109th Street, Suite 600  
Overland Park, KS 66210

JPMorgan Chase Bank, N.A.  
Syracuse, NY  
50-937/213

CHECK DATE **038580**  
5/22/2007

80420  
VENDOR NO.

\$\*\*\*\*50,000.00

VOID AFTER 90 DAYS  
PAY EXACTLY

PAY FIFTY THOUSAND AND 00/100\*\*\*\*\*

TO THE  
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OF

UTAH DIVISION OF FORESTRY, FIRE  
& STATE LANDS  
1594 WEST NORTH TEMPLE, STE# 3520  
SALT LAKE CITY UT 84114-5703



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**Utah** Department of  
**Commerce**

## Business Entity Search

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Name	Type	City	Status
GREAT SALT LAKE MINERALS CORPORATION	Corporation	OVERLAND PARK	Active
Business Name:	GREAT SALT LAKE MINERALS CORPORATION		
Entity Number:	601787-0143		
Registration Date:	05/03/1987		
State of Origin:	DE		

### Address

9900 WEST 109TH STREET SUITE 600  
OVERLAND PARK, KS 66210

### Status

Status:	Active
Status Description:	Good Standing
This Status Date:	N/A
Last Renewed:	04/10/2007
License Type:	Corporation - Foreign - Profit
Delinquent Date:	05/03/2008

### Registered Agent

Registered Agent:	NATIONAL REGISTERED AGENTS, INC
	<a href="#">[Search BES]</a> <a href="#">[Search RPS]</a>
Address Line 1:	395 WEST 2900 NORTH
Address Line 2:	
City:	PLEASANT GROVE
State:	UT
Zip:	84062

### Additional Information

Additional Principals:	Y
NAICS Code:	3119
NAICS Title:	3119-Other Food Manufacturing
Stock Class 1 Amount:	0000100000
Stock Class 1 Type:	COMMON
Stock Class 2 Amount:	0000000000

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